



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

January 27, 2000

Russell V. Randle
Patton Boggs LLP
2550 M Street, NW
Washington, D.C. 20037

RE: Collierville Superfund Site

Dear Mr. Randle:

Enclosed please find the complete Superfund Cost Recovery Documentation for the Carrier Air Conditioning Site in Collierville, TN. This information is being supplied to Carrier, at their request, following EPA's most recent demand letter for past costs at the Site. The enclosed documentation has been certified by EPA's Financial Management Office. Each section, as outlined in the Table Of Contents, is supported by the appropriate documentation. The Cost Recovery Package covers costs through December 6, 1999, so that the dollar amount is slightly higher than the previously issued demand.

As your client reviews the enclosed information, should there be any questions or assistance needed, you may contact me and I in turn will arrange for consultation with the appropriate EPA personnel. In any event, EPA requests that it receive written word from Carrier, within thirty (30) days of receipt of this documentation, what its intentions are with regard to the outstanding demand.

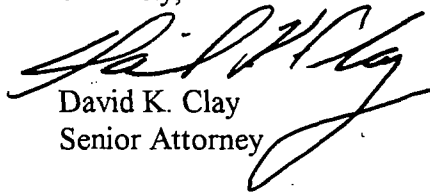
In a separate matter, you should have received a DRAFT cost recovery agreement for future costs for your client's review. As we have discussed, it is necessary to have a consent order in place to resolve Carrier's alleged civil liability for future response costs at the Collierville Site for work being performed under the unilateral administrative order. I await your comments on the agreement.



Finally, I am enclosing with this letter an estimate of what EPA projects future costs will be at the Site. The present value is dependant upon what discount rate is applied. This estimate is provided as a courtesy to Carrier and is in no way binding. The remedial project manager prepared this projection to cover costs through 2015.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "David K. Clay", written over the typed name and title.

David K. Clay
Senior Attorney

enclosures

CARRIER AIR CONDITIONING OVERSIGHT COST ESTIMATE																			
O&M																			
Input Discount Rate Here >	0.05	0.06	0.07																
Cost Category V V V V V V	Calendar Yr	>>>>>>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	TOTALS
1. Project Mgmt LOE			\$6,000	\$6,000	\$6,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$117,000
2. EAD/ORCA/USDOJ LOE			\$6,000	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$117,000
3. Regional Travel			\$1,300	\$1,300	\$1,400	\$1,400	\$1,500	\$1,500	\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$26,400
4. Cost Recovery LOE			\$6,000	\$8,000	\$8,200	\$6,400	\$6,600	\$6,800	\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$117,000
6. Regional Indirect Costs			\$66,150	\$68,150	\$67,200	\$67,200	\$68,250	\$68,250	\$69,300	\$69,300	\$70,350	\$70,350	\$71,400	\$71,400	\$72,450	\$72,450	\$73,500	\$73,500	\$1,117,200
7. EPA 5 YR Review Cost			\$25,000	\$0	\$0	\$0	\$0	\$29,692	\$0	\$0	\$0	\$0	\$35,265	\$0	\$0	\$0	\$0	\$41,884	\$131,841
9. Subtotals			\$110,450	\$85,450	\$87,200	\$87,800	\$89,550	\$119,842	\$91,900	\$92,500	\$94,250	\$94,850	\$131,865	\$97,200	\$98,950	\$99,550	\$101,300	\$143,784	\$1,626,441
10. Present Value (@0.05% DR)			\$110,450	\$81,381	\$79,093	\$75,845	\$73,673	\$93,899	\$68,577	\$65,738	\$63,792	\$61,141	\$77,099	\$56,831	\$55,099	\$52,793	\$51,163	\$69,163	\$1,135,738
11. Present Value (@.06% DR)			\$110,450	\$80,613	\$77,608	\$73,719	\$70,932	\$89,553	\$64,786	\$61,518	\$59,134	\$56,142	\$69,465	\$51,204	\$49,175	\$46,673	\$44,805	\$59,996	\$1,065,771
12. Present Value (@.07% DR)			\$110,450	\$78,860	\$76,184	\$71,671	\$68,317	\$85,446	\$61,237	\$57,604	\$54,854	\$51,592	\$62,648	\$46,179	\$43,935	\$41,310	\$39,286	\$52,114	\$1,002,667

CARRIER AIR CONDITIONING OVERSIGHT COST ESTIMATE								
O&M								
Input Discount Rate Here > >	0.05	0.06	0.07					
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2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	TOTALS
\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$117,000
\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$117,000
\$1,600	\$1,600	\$1,700	\$1,700	\$1,800	\$1,800	\$1,900	\$1,900	\$2,000	\$2,000	\$26,400
\$7,000	\$7,200	\$7,400	\$7,600	\$7,800	\$8,000	\$8,200	\$8,400	\$8,600	\$8,800	\$117,000
\$69,300	\$69,300	\$70,350	\$70,350	\$71,400	\$71,400	\$72,450	\$72,450	\$73,500	\$73,500	\$1,117,200
\$0	\$0	\$0	\$0	\$35,265	\$0	\$0	\$0	\$0	\$41,884	\$131,841
\$91,900	\$92,500	\$94,250	\$94,850	\$131,865	\$97,200	\$98,950	\$99,550	\$101,300	\$143,784	\$1,626,441
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\$61,237	\$57,604	\$54,854	\$51,592	\$62,648	\$46,179	\$43,935	\$41,310	\$39,286	\$52,114	\$1,002,667